

J-POWER Announces Execution of Loan Agreement for Central Java Coal-fired IPP Project in Republic of Indonesia

Electric Power Development Co., Ltd. (headquartered in Chuo-ku, Tokyo; Masayoshi Kitamura, President, hereafter “J-POWER”) announced today that PT. BHIMASENA POWER INDONESIA (headquartered in Jakarta, the Republic of Indonesia; Mohammad Effendi, President; hereinafter “BPI”), the operating company to which contributions are made by the following three companies, J-POWER, ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Masahiro Okafuji, President & CEO) and PT ADARO POWER of Indonesia (a wholly owned subsidiary of PT ADARO ENERGY Tbk. (headquartered in Jakarta, the Republic of Indonesia; Garibaldi Thohir, President)), executed the project finance loan agreement for the total amount of around 3.4 billion US dollars (hereinafter the “Loan Agreement”) with Japan Bank for International Cooperation (JBIC), Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, Shinsei Bank, Limited, The Norinchukin Bank, DBS Bank Limited and Overseas-Chinese Banking Corporation today.

This project is Asia’s largest scale IPP project to construct a coal-fired power plant with a total capacity of 2,000,000 kW in Batang regency, Central Java, Indonesia, where demand for electric power is expected to increase, and to supply electric power to the Indonesian state-owned electric power utilities (PLN) under the agreement for long-term electric power selling over twenty five years. This project is also the first public private partnership (PPP) project using the guarantee of the Indonesia Infrastructure Guarantee Fund (IIGF) under the control of the Ministry of Finance of Indonesia, which will be implemented as part of the Masterplan for the Acceleration and Expansion of Indonesia’s Economic Development (MP3EI).

This project is characterized by the use of subbituminous coal from Indonesia as the fuel for electric power generation and the adoption of the power generation method (1,000,000 kW x 2) using the ultra-supercritical (USC) pressure technology with little burden on the environment, which will be a model case of environmentally friendly, high-efficiency power generation.

Construction work for the power plant will advance, aiming at commercial operations starting from June 2020 (first unit) and December 2020 (second unit) under the construction plan.

J-POWER has been actively engaged in the overseas power generation business (net capacity of approximately 7,500MW in 36 projects under operation that produce gross capacity of approximately 20,500MW) while owning and operating coal-fired power plants with a total capacity of approximately 8,400MW in Japan. In addition to this model project for the development of high efficiency coal-fired power generation in Asia, J-POWER is promoting the overseas power generation business based on the J-POWER Group Medium-term Management Plan announced in 2015, which is aiming for net capacity of 10,000MW in the power generation business abroad in fiscal 2025.

[Annexes]

1. Outline of the Central Java Coal-fired IPP Project in Indonesia
2. Location Map of the Power Plant

Outline of the Central Java Coal-fired IPP Project in Indonesia

Location	Batang, Central Java, the Republic of Indonesia
Power generation method	Coal-fired ultra supercritical (USC) pressure power generation
Capacity	2,000,000 kW (1,000,000 kW x 2)
Fuel	Subbituminous coal from Indonesia
Scheme	Build-Own- Operate-Transfer (BOOT) scheme
Contributors	Electric Power Development Co., Ltd.: 34% PT ADARO POWER: 34% ITOCHU Corporation: 32%
Purchaser of electric power and term of agreement	Purchaser: PLN (Indonesian state-owned electric power utilities) Term: 25 years after start of operation
Maintenance and management	BPI
Process	June 2020: start of operations of first unit December 2020: start of operations of second unit

Location Map of the Power Plant

